

1 **VIRGINIA TOBACCO INDEMNIFICATION**
2 **AND COMMUNITY REVITALIZATION COMMISSION**

3 701 East Franklin Street, Suite 501

4 Richmond, Virginia 23219

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9 **Southwest Economic Development Committee**

10 Wednesday, April 25, 2007

11 1:00 p.m.

12
13 Wytheville Meeting Center

14 Meeting Room C

15 Wytheville, Virginia

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1 **APPEARANCES:**

2 The Honorable Terry G. Kilgore, Chairman

3 The Honorable Phillip P. Puckett, Vice Chairman

4 Mr. Stephen S. Banner

5 Mr. Fred M. Fields

6 The Honorable Joseph P. Johnson, Jr.

7 Mr. H. Ronnie Montgomery

8 Mr. John M. Stallard

9 Mr. James C. Thompson

10 The Honorable William C. Wampler, Jr.

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12 COMMISSION STAFF:

13 Mr. Neal Noyes, Executive Director

14 Mr. Ned Stephenson, Director of Strategic Investments

15 Mr. Timothy Pfohl, Grants Program Administration Manager

16 Ms. Stephanie Wass, Director of Finance

17 Ms. Sara Williams, Grants Coordinator, Southwest Virginia

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19 OFFICE OF THE ATTORNEY GENERAL

20 Mr. Francis N. Ferguson, Deputy Attorney General, Counsel for the

21 Commission

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1 DELEGATE KILGORE: Good afternoon,
2 everyone, welcome.

3 Let's call the roll first.

4 MR. NOYES: Mr. Banner?

5 MR. BANNER: Here.

6 MR. NOYES: Mr. Fields?

7 MR. FIELDS: Present.

8 MR. NOYES: Delegate Johnson?

9 DELEGATE JOHNSON: Here.

10 MR. NOYES: Mr. Montgomery?

11 MR. MONTGOMERY: Here.

12 MR. NOYES: Senator Puckett?

13 SENATOR PUCKETT: Here.

14 MR. NOYES: Mr. Thompson?

15 MR. THOMPSON: Here.

16 MR. NOYES: Senator Wampler?

17 SENATOR WAMPLER: Here.

18 MR. NOYES: Delegate Kilgore?

19 DELEGATE KILGORE: Here.

20 MR. NOYES: You have a quorum.

21 DELEGATE KILGORE: I want you all to know
22 Mr. Neal Noyes, he is our Executive Director. I don't know if this is his first
23 meeting with us for Southwest. He is the Executive Director of the Tobacco
24 Commission. There are 31 of us on the Commission, and Neal does a good
25 job. So, Neal, welcome to your first Southwest Economic Development

1 Committee meeting. We do some things a little bit differently here and
2 maybe a little bit faster, faster than we talk. So, welcome.

3 As you all know, we have a lot more applications than we have
4 money, which I guess is normal in these types of meetings. We're going to
5 try to go through this. As you know, some of us have been on the Tobacco
6 Commission since its inception. The goal of the Commission was to make
7 sure that our farmers were made whole due to their loss of quota. I think
8 most of the members here will agree that we've done a pretty good job in
9 taking care of the farmers and the farming community. We're still paying for
10 the loss of quota. I think we're probably one of the few states that is actually
11 following through on that promise. I think that's good for us, and we're
12 continuing to do that.

13 Our second goal under our mission, and that's what we're here
14 for today, is to revitalize the economies going from a tobacco-dependent
15 economy to a new economy. We look at the creation of jobs and reworking
16 the whole economic development aspect of Southwest Virginia. That's what
17 some of our goals are.

18 The Commission right now is still at the crossroads, where
19 we're going from expecting payments every year from the tobacco
20 companies to securitization. Securitization is supposed to happen sometime
21 soon, and that will give us our money so that we can earn interest on it and
22 we don't have to worry about cigarette consumption, so we're going to go to
23 market and securitize our money. That will keep the future General
24 Assembly from taking our money. That's very important.

25 It's good to have you all here. What I decided to do is we'll

1 start with the staff by going through the projects briefly. We'll briefly go
2 through the projects, right, Sara?

3 MS. WILLIAMS: Yes.

4 DELEGATE KILGORE: Then we'll come back
5 for discussion, and we'll have a little bit of public hearing and come back for
6 a discussion with the Committee. Does that sound okay with the members
7 of the Committee? We'll proceed that way.

8 First, we need to approve the Minutes of the last meeting,
9 which was November 9th, 2006.

10 DELEGATE JOHNSON: So move.

11 DELEGATE KILGORE: There's a motion and a
12 second, all those that approve the Minutes say aye? (Ayes.)

13 Sara, you're up.

14 MR. PFOHL: A couple of quick opening
15 comments. I'm Tim Pfohl, Manager of the Grant Programs for the Tobacco
16 Commission. As Delegate Kilgore alluded to, this is probably the largest
17 volume of requests in terms of the number of dollars requested in recent
18 memory for this specific grant program of ours. The majority of the funds
19 that are available today are what we call restricted dollars. Those are the
20 funds from our previous securitization process, and those are the funds that
21 can only be used for capital projects. You'll see, as we move through the
22 chart here, we have a column for restricted funds, and we have about a \$2.7
23 million balance of those. Then we also have a column for what would
24 qualify only for the unrestricted funds. We have a much lower balance of
25 those funds with the carryforward, and that's less than \$500,000 from

1 previous years.

2 The total requested amount today is in excess of \$27 million.
3 You can see the job the Committee has in front of them to do. I've asked
4 Sara Williams from our Southwest Regional Office to lead the conversation
5 today. She'll give a brief comment about each proposal and a quick snapshot
6 about the staff comments and recommendations. Then we'll take up those
7 funding recommendations.

8 MS. WILLIAMS: I'll go through these quickly,
9 and if anyone has any questions or they need to add information, just stop
10 me.

11 DELEGATE KILGORE: As you go through
12 them, then you'll refer to the slide?

13 MS. WILLIAMS: Yes. The Town of Abingdon
14 has requested \$80,000 for additional funding to construct a permanent
15 facility for its Regional Farmer's Market. In FY06 they were awarded
16 \$66,500 which still remains available for the project, which is currently
17 under construction. Currently, the staff recommends no additional award.

18 The Town of Abingdon is also requesting \$150,000 for the
19 acquisition of Dunn's Meadow Properties. The town seeks to purchase this
20 property from private owners to protect it from potential development. The
21 well-matched proposal, and conservation objective is consistent with the
22 Heritage Tourism development, but plans for year-round use and economic
23 outcomes are vague. Staff recommends no award.

24 The Barter Foundation is requesting \$350,000 preparations for
25 Barter Family Theatre addition of a third theatre facility for Barter Theatre.

1 They're requesting funds for seven steps necessary to complete construction
2 of a third theatre on the Stonewall Square property. They're requesting
3 accessible sidewalk from Main Street to Stonewall Square and construction
4 of a sidewalk on the north side of the project parallel to Main Street,
5 construction of sculpture and water feature, economic impact study, an
6 economic feasibility study, funding to assist with the hiring of a fund-raising
7 consultant to determine the fund-raising viability of the project, funding to
8 assist with the architectural design and engineering for the theatre.

9 Previous grants total \$336,250, including \$175,000 for
10 Stonewall Square. Construction of sidewalks and public art are low
11 priorities, feasibility impact studies and fund raising activities are not
12 eligible for restricted funds. A&E and fund-raising not necessary until
13 feasibility has been established. Staff recommends no award.

14 Bland County is requesting \$500,000 for the Bland County
15 Commerce Park Project. Requesting site grading for this 22-acre property to
16 create four of the park's planned total of seven industrially-zoned lots. This
17 will result in the relocation of a metal fabrication firm to the county.

18 A TROF Grant of \$50,000 has been approved for the prospect.
19 Staff recommends an award of \$250,000 from restricted funds.

20 Buchanan County Industrial Development Authority is
21 requesting \$1 million for the Lover's Gap Industrial Park-Phase IIA
22 Development Project. Funds are requested for site development and access
23 road construction associated with the development of reclaimed surface
24 mined land into approximately 630 acres suitable for industrial development.

25

1 Majority of project funds are pending, but county is under
2 contract with Alpha Resources for acquisition and site preparation, including
3 payments totaling \$1.25 million in April-June, 2007. Staff recommends an
4 award of \$500,000 from restricted funds for land acquisition and site
5 preparation.

6 Chilhowie Organization for Arts, Community and History, Inc.
7 requesting \$11,150, and unrestricted funds are requested. This is a traveling
8 exhibit featuring Native American contemporary art. Art focus is a low
9 priority, this brief event has limited economic impact. Staff recommends no
10 award.

11 Crossroads Regional Industrial Facility Authority is requesting
12 \$150,000 for Progress Park-Sanitary Sewer Improvements. A project to
13 install additional sewer line to serve Progress Park Industrial Park. Well-
14 leveraged request that will enhance infrastructure serving several available
15 industrial sites in a highly successful park. Staff recommends award of
16 \$150,000 from restricted funds.

17 Daniel Boone Wilderness Trail Association is requesting
18 \$30,000 for Wilderness Road Blockhouse Interpretive Center. This project
19 will provide basic administrative and audio-visual equipment as for an
20 historical educational exhibit for a Wilderness Road Blockhouse Interpretive
21 Center. Once the center is completed, it will be donated to the Natural
22 Tunnel State Park and will become the property of the Department of
23 Conservation and Recreation.

24 The facility's ultimate user is ineligible for restricted funds.
25 Operating equipment is low priority, and the staff recommends no award.

1 Duffield Development Authority, requesting \$150,000 for the
2 Duffield Gateway Improvements. It will improve and beautify the future
3 entrance into the eCorridor Regional Technology Park as part of an overall
4 project to complete the beautification and low impact signage improvements
5 along Highway 58 through Duffield.

6 Streetscape beautification is a low priority with an
7 unquantifiable return on investment. Project is fundable through VDOT
8 transportation enhancement program, but that principal source of project
9 financing is still pending. Staff recommends no award.

10 Fairview Citizens Corporation is seeking \$56,150 to replace the
11 roof of the Fairview Community Center. The former elementary school
12 houses a clothes and furniture closet for needy families and hosts community
13 civic and social activities.

14 Civic and social usages of former schools are low priorities.
15 Staff recommends no award.

16 Town of Fries is seeking \$245,763 for the Fries Cultural
17 Heritage Village and Small Business Incubator. The project consists of the
18 redevelopment of a mill property into a Cultural Heritage Village and Small
19 Business Incubator. Funds will be used for costs associated with preparing,
20 crushing and stockpiling inert debris and to pay tipping fees for landfill
21 debris.

22 An FY06 grant of \$190,000 remains fully available for the
23 project. A study is underway to develop an operating plan for future uses.
24 Staff recommends no award.

25 The Town of Jonesville is requesting \$535,050 for the

1 Cumberland Bowl RV Park and Campground. No concurrent matching
2 funds, and operating marketing plans for the site are vague. Application
3 indicates local residents will use the RV sites in lieu of tourists using the
4 sites. Staff recommends no award.

5 The Town of Lebanon is seeking \$750,000 for the Town of
6 Lebanon IDA Commercial Water Improvements. The project will serve the
7 Russell Regional Business and Technology Park, Cumberland Plateau
8 Regional Industrial Park, as well as three housing developments.

9 In FY06 \$285,000 remains available for this project. The
10 requested amount would increase the Commission's role to 77 percent of a
11 town-wide system that supplies residential users, a low priority. Staff
12 recommends no additional award.

13 Lee County Industrial Development Authority seeks \$240,000
14 for the Dryden Facility Improvements Project. The IDA is to acquire a
15 5,000 square foot building on a site adjacent to its present holdings and to
16 implement improvements at both properties. These improvements include
17 additional parking and redundant Broadband for both buildings.

18 A building of this size, 5,000 square feet, is not a priority site.
19 Principal benefit of the acquisition is additional land for parking, which has
20 a low priority, and the staff recommends no award.

21 Lee County Industrial Development Authority is seeking
22 \$500,000 for the Constitutional Oaks Speculative Building. Will construct a
23 40,000 square foot expandable speculative building in Constitutional Oaks
24 Business Park.

25 Constitutional Oaks has been supported with \$775,000 for land

1 acquisition, utilities and site preparation. The staff recommends an award of
2 \$425,000 from restricted funds.

3 Lee County Industrial Development Authority is seeking
4 \$500,000 for the Constitutional Oaks Medical and Training Facility. This
5 will be used to construct an 8,000 square foot structure at the Constitutional
6 Oaks Business Park to host a workforce training facility and a medical clinic
7 to be relocated from its present location in Ewing.

8 Training facility, which lacks a needs assessment and operating
9 plan with specific training curricula. The medical clinic is a low priority.
10 Staff recommends no award.

11 The next project is referred to the Committee from the Special
12 Projects Committee last week. Lonesome Pine Office on Youth is seeking
13 \$142,800 for Imagination Library for Southwest Virginia. This program
14 provides an age-appropriate book for each enrolled child once each month
15 from birth to the fifth birthday. The program is focused on pre-school ages,
16 staff recommends no award.

17 Marion Downtown Revitalization Association is seeking
18 \$570,000 for the Marion Museum Complex. It will renovate a warehouse
19 building into museums that will focus on the town's ties to Mountain Dew
20 and a motorsports museum. The museum's location will build on proximity
21 to I-81 and other local attractions. Staff recommends no award.

22 Mount Rogers PDC is seeking \$1,500,000 for the
23 Virginia/North Carolina Regional Water Authority Water Treatment Plant.
24 The regional authority is requesting funds for the construction of a one
25 million gallon per day water treatment plant, distribution lines, storage tank

1 and pump station serving the needs of Grayson County and the Town of
2 Independence, as well as Allegheny County, North Carolina and the Town
3 of Sparta, North Carolina. The plant will provide water to all residents and
4 80 businesses within the Town of Independence, including the Grayson
5 County Industrial Park. It will enable Independence to provide water to a
6 proposed prison to be built in Grayson County.

7 DELEGATE KILGORE: As I understand it, this
8 is going to go to Special Projects?

9 MS. WILLIAMS: Yes, do you want me to
10 continue?

11 DELEGATE KILGORE: If we're going to refer it
12 to Special Projects, I think we can just skip over that.

13 MS. WILLIAMS: Old High School Renovation is
14 seeking \$75,000 for the Old High School renovation. This will complete all
15 phases of renovation, resulting in a technologically equipped community
16 center. Three classrooms and an auditorium will be renovated to house
17 distance learning and community events.

18 Three previous Tobacco Commission grants totaling \$114,000,
19 which has allowed the building to house a library and two existing class
20 rooms. Majority of the uses in the building are civic, social and recreational
21 in nature, all low priorities for the Tobacco Commission. Staff recommends
22 no award.

23 The Town of Pennington Gap is seeking \$200,000 for the Lee
24 Theater Restoration Project, the Lee Theater Building, including new
25 restroom facilities, heating and air systems, new flooring and seating, and

1 new sound equipment. After completion, the Lee Theater Building and an
2 adjacent community center will provide space to host distance learning,
3 Broadband network management, business conferences, community forums
4 and private party functions, as well performance space for the Crooked Road
5 and Pro Art Association.

6 Two previous grants for the building totaling \$230,000, of
7 which \$116,000 remains available. Staff recommends no additional award.

8 Planning District I Behavioral Health Services is seeking
9 \$25,000 for the Big Stone Gap Interagency Facility Feasibility Study. This
10 is the Concerned About our Community, a consortium of regional agencies
11 and non-profit organizations, to conduct a feasibility study to identify the
12 construction and operating costs for a proposed interagency facility for
13 education, child care and health/wellness programs.

14 Majority of uses planned for the facility are Tobacco
15 Commission low priorities. Staff recommends no award.

16 Pro Art Association, seeking \$100,000 for the Performing Arts
17 Center Sound and Lighting Equipment. This project was referred from
18 Special Projects Committee last week. This would be serving three
19 Southwest counties for the purchase and installation of equipment at a
20 performing arts center and a school auditorium in Pound, Virginia.

21 Performing arts is a low priority for Tobacco Commission
22 funding, and staff recommends no award.

23 Russell County Industrial Development Authority is seeking
24 \$500,000 for the Southwest Virginia Technology Development Center. This
25 is the renovation of a former retail facility into a training center to help meet

1 the information technology training needs brought about by the location of
2 CGI-AMS and Northrup Grumman to the area. The center will provide for
3 UVA Wise for two IT companies committed to Russell County.

4 The Tobacco Commission has invested more than 2.6 million to
5 date in TROF and other grants in support of this project. This request would
6 increase the Tobacco Commission's role to 40 percent of the center's
7 financing, the applicant has signaled that an estimated one million will be
8 requested of the Tobacco Commission for this project in the fall. Staff
9 recommends awarding \$500,000 from restricted funds.

10 Scott County Economic Development Authority is seeking
11 \$3,950,000 for the Duffield Regional Technology Center. The funds are
12 requested for construction costs associated with the Duffield Regional
13 Technology Center. They will be the initial tenants in the recently
14 completed eCorridor Regional Technology Park and will house upwards of
15 250 to 350 information technology jobs in the online medical records data
16 field.

17 The Tobacco Commission has invested two million to date on
18 the Duffield eCorridor Park planning, acquisition, design and site prep and
19 this would create an anchor building in the park. Staff recommends an
20 award of \$200,000 from restricted funds for design and engineering.

21 Smyth County Board of Supervisors is seeking \$250,000 for the
22 Groseclose/Exit 54 Area Sewer Project. Funds are requested to construct a
23 wastewater collection system to serve the Groseclose Commercial area at the
24 Interstate 81 interchange.

25 The majority of construction funds are not yet committed, and

1 the predominance of service to convenience and retail business is not a
2 Tobacco Commission priority. Staff recommends no award.

3 Smyth County Industrial Development Authority is seeking
4 \$697,301 for TEDS, Inc. Data Center Expansion. This is a software
5 company located at Atkins, Virginia. Commission funds will be used to
6 purchase technology related hardware and infrastructure equipment
7 necessary for this expansion. The expansion will enable TEDS to expand its
8 current employee base by an estimated five employees over the next five
9 years and retain 53 existing technology-based jobs.

10 Staff recommends an award of \$229,430 from restricted funds
11 for building infrastructure improvements, excluding the 36 month
12 Broadband expense, subject to a performance agreement to be executed
13 between the county IDA and TEDS, Inc.

14 Smyth Washington Regional Industrial Facilities Authority is
15 seeking \$300,000 in unrestricted for The Dream It, Do It Manufacturing
16 Careers Campaign Workforce Development Initiative. This is an industry-
17 led regional educational and employment consortium that provides skill
18 training to prepare students and workers to compete for job openings in the
19 region's 90 manufacturing industries. The program intends to provide
20 specialized training for more than 200 new and incumbent workers per year,
21 implement enhanced Career Readiness training and testing for 200
22 individuals, and place 16 workers in intern positions with local employers.

23 The staff is recommending \$213,994 from unrestricted funds
24 for the project.

25 Southwest Virginia Community Foundation is seeking

1 \$2,914,855 for the Gate City Performing Arts Center. This will be a 500
2 seat performing arts center located on a downtown site. The applicant is
3 seeking funds for engineering and construction costs. The applicant is
4 requesting the Tobacco Commission provide 79 percent of project costs.

5 Performing arts are low priority, but applicant intends to co-
6 promote the facility with neighboring Crooked Road destinations. Staff
7 recommends an award of \$150,000 from restricted funds for architecture and
8 engineering design.

9 Tazewell County is seeking \$1,781,010 for the Bluestone
10 Regional Business and Technology Center Project, Phase IA.

11 DELEGATE KILGORE: That's going to be tabled
12 right now. That's going to be a very important project for us going forward
13 with the securitization. It's not quite ready yet.

14 MS. WILLIAMS: The Town of Damascus is
15 seeking \$499,016 for the Creeper Trail Campground on Beaver Dam Creek.
16 The town is seeking funding for Phase II of this project, which will
17 construct 21 campsites, 9 RV sites and 12 tent sites, on a redeveloped 10
18 acre Brownfield site in downtown Damascus.

19 The number of campsites will have a low return on this amount
20 of investment and will compete with more than 500 nearby public and
21 private RV sites and 380 tent sites. Staff recommends no award.

22 The Town of Glade Springs is seeking \$348,400 for the
23 Virginia Salt Trail Regional Project. The Commission's funds will be used
24 for design and engineering, a business and marketing plan, and construction
25 of three trailheads and four trestles.

1 A well-matched proposal that could be completed in phases,
2 using multi-year VDOT enhancement funding. The marketing and business
3 plan, approximately \$30,000, are not eligible for restricted funds. Staff
4 recommends no award.

5 Town of Hillsville is requesting \$300,000 for the Motley Hill
6 Water Tank and Improvement Project. It will provide fire flow protection in
7 the Motley Hills area, and staff is recommending no award.

8 Washington County is seeking \$275,000 unrestricted for
9 Project Duty. This will assist the purchase of one of the Tri-Cities largest
10 employers by a private buyer, retaining more than 1,000 manufacturing jobs
11 and \$100 million investment in facilities and equipment.

12 The requested funds will be combined with an approved TROF
13 award of \$350,000 to be offered as a purchase incentive from the county to a
14 private buyer. Staff recommends an award of \$275,000 from unrestricted
15 funds.

16 White's Mill Foundation has requested \$767,000 for Get the
17 Wheel Turning. This will complete the restoration of the historic White's
18 Mill over the next three years. The result of this restoration will be a turning
19 water wheel that operates using 18th century technology and the creation of
20 facilities capable of serving as a regional tourism anchor.

21 Well-crafted plans for renovation and operation with projected
22 increase of approximately 7,000 visitors per year, many of which are local
23 school groups, a low priority. A previous grant of \$50,000 in FY04 assisted
24 with initial building stabilization. Staff recommends no award.

25 Wise County Industrial Development Authority is seeking

1 \$500,000 for the Appalachia America Energy Research Center. The
2 application was recently withdrawn.

3 Finally, we have Wise County Public Schools seeking \$819,250
4 for the RALI Rural Appalachian Learning Initiative. Staff recommends this
5 request be referred to the Education Committee.

6 DELEGATE KILGORE: Thank you, Sara, you
7 did a good job getting us through that.

8 Before we get into the recommendations and all that, I told you
9 we will be securitizing soon, and there will be some opportunities for some
10 additional dollars out there. Those of you that may not get awarded today, I
11 suggest you get with the staff and work on your grant application with staff
12 and try to make sure that you list the items that are important to the
13 Commission, such as job creation, economic development, revitalizing the
14 economy, and things of that nature. This year we're going to do a little
15 different in that we're going to have another grant process starting April
16 15th, I mean August 15th, for Southwest Economic Development. August
17 15th is the deadline, and we'll have another meeting date October 4th,
18 Committee meeting. For those of you who keep up with this sort of thing,
19 August 15th is the deadline, and October 4th will be the meeting. That will
20 be somewhere in Southwest Virginia, place to be determined.

21 Members of the Committee, it's now your opportunity if you
22 have questions about any of these applications.

23 MR. FIELDS: Mr. Chairman, this project,
24 Lonesome Pine Office, I wonder if that could be referred to the Education
25 Committee? I'm not sure there is an area in the state that needs this as badly

1 as this area does. I think I've seen enough education in Southwest Virginia
2 to speak straight to this.

3 DELEGATE KILGORE: It's a really good project,
4 and they did it in Scott County, and they've been able to reach out to a lot of
5 children that would not otherwise receive those books each month. I hope
6 we can help the Imagination Library, that may be our best bet.

7 SENATOR WAMPLER: Fred, thanks for those
8 thoughts. Coming up today I was still trying to figure out where this fits the
9 best. It certainly wasn't Special Projects, where it originally landed, and I
10 guess we put it in Southwest, thinking it was more to this region. I guess if
11 you had one size fits all, why not put it outside the Tobacco Commission,
12 but a regional library should cover the counties that it seeks to serve. That's
13 the thought I had. Public entities do fund the regional library system. If it's
14 good enough for one county within that system, maybe it's good enough for
15 the rest. To me, that seems like a better place and better posture for it to be
16 in. I don't know what the Education Subcommittee philosophy or
17 temperament is, relative to that. It makes sense to fund it, but I don't know
18 what the appetite is with the Tobacco Commission. I don't know what else
19 to say.

20 DELEGATE KILGORE: I'd like to see us help
21 them, and if Education is the way to go, I'm all for it.

22 MR. FIELDS: It probably wouldn't be very good.
23 I think I'm keeping it alive.

24 DELEGATE KILGORE: You're on Education.

25 MR. FIELDS: I had hopes of seeing it funded, it's

1 a very, very necessary project for us. We have a few of our legislators here
2 on this committee, and I think they can help in the library situation.

3 MR. BANNER: As far as Education funds, Mr.
4 Chairman, they probably have less of those than we do.

5 DELEGATE KILGORE: The deadline for that,
6 obviously, they wouldn't have to, or I presume, wouldn't have to present a
7 new application if we referred it to -- the meeting for that is October the
8 11th. I can see what we can do for them. If that's the best way to do it, I'm
9 agreeable to do that.

10 MR. FIELDS: I'd make that motion.

11 DELEGATE JOHNSON: Second.

12 DELEGATE KILGORE: Any more discussion?
13 Does that sound okay? Can you get with staff and work with Sara or work
14 with Tim and try to get something going there? All right, thank you.

15 We have a motion and a second. All in favor say aye? (Ayes.)

16 We've heard the staff recommendations, and I'm willing to do
17 some public comments. I guess the best way to do public comments is to
18 open up the floor, and that way everybody will want to get up at the same
19 time, which isn't good.

20 DELEGATE JOHNSON: Mr. Chairman, I have a
21 question. The first one, the Town of Abingdon, the Farmer's Market. They
22 have requested \$80,000, and nothing was approved.

23 MR. PFOHL: They received an award last year of
24 \$66,500 and started construction with that.

25 DELEGATE JOHNSON: Is this \$80,000 in

1 addition to that?

2 MR. PFOHL: Yes, sir.

3 DELEGATE JOHNSON: As I recall it, as far as
4 the Commission, they were instructed and required with the revitalization by
5 the Tobacco Commission, and we've tried to go from tobacco to beef cattle,
6 strawberries, cucumbers, tomatoes and whatever. These people need a
7 market to sell their produce. If they don't have a market, how can they sell
8 it? We said, let's revitalize it, and you plant ten acres of tomatoes. Now, I
9 think we're obligated to provide them a place to sell their produce. The
10 Town of Abingdon is working on it now, the Farmer's Market I'm speaking
11 of. If there was ever a deserving project before this Committee, considering
12 the charge that we have, it would be that, because we are providing a way
13 for people that can no longer raise tobacco to sell their tomatoes and their
14 cabbage, green beans or whatever.

15 Mr. Chairman, I just feel like that we owe the people, and we
16 encouraged them to get out and to raise products since they don't have the
17 tobacco. This is an excellent project for them. This Farmer's Market is vital
18 to the people that we've encouraged to do this.

19 DELEGATE KILGORE: You said they had 66,
20 have they spent it down?

21 MR. PFOHL: Our understanding is that
22 construction is underway. We believe they've probably incurred expenses
23 that they're going to use our funds for, but just have not requested them yet.

24 MR. MOORE: I'm Victor Moore, and I'm with
25 Abingdon. We started working here on the parking lot, no covers or

1 anything, and this was two days a week, Saturday and Wednesday. We've
2 been successful. What we're doing is looking for a place to get them off the
3 police station parking lot that could be covered. We had a spot right on
4 Cummings Street; it's right by the bridge, town property. We had a former
5 town manager, and I thought we could do it for 80,000, and after talking to
6 the contractor we misunderstood, so we asked for the 60,000 and you gave
7 us that, which was about three-fourths of the costs. Now they're telling us
8 it's going to cost 250,000; that's why we've come back and asked for some
9 money. We need that to get somebody to bid on it and do the work, costs
10 plus. We could start working, and did, because the money was there. We
11 went and started, but we wanted to get it open in the summer. We're
12 working and trying to get it under roof and have it available. We want to get
13 a roof on it, plus some open space. It's right there where you can see it from
14 the interstate. It's a good location, and we'd appreciate any help you could
15 give us with that.

16 SENATOR WAMPLER: What if we awarded
17 something in addition to the 60,000 you've already been awarded, my math
18 tells me there's still a difference there. Where is that money going to come
19 from?

20 MR. MOORE: The town.

21 SENATOR WAMPLER: That would be a firm
22 commitment on the part of the town?

23 MR. MOORE: Yes, we've got to, we're building it
24 now.

25 SENATOR WAMPLER: That's what I was

1 looking for, thank you.

2 DELEGATE KILGORE: Anyone have any other
3 questions? What I plan on doing, we'll hear from the public, and then we'll
4 go back and try to figure out what we're going to do.

5 MR. BANNER: For clarification, with all these
6 projects, Tim, how much are we in arrears? With the staff
7 recommendations, what's the total on that?

8 MR. PFOHL: We left out, just a little over
9 150,000 of restricted funds on the table, so to speak, and unrestricted funds
10 we recommended the full amount that's available.

11 DELEGATE KILGORE: So we need to find a cut.

12 MR. BANNER: Find the money before we ask for
13 it.

14 SENATOR WAMPLER: Mr. Chairman, if it's
15 appropriate, I'd like to go back to one of the applications I've heard a couple
16 of times, and I'm still not sure I understand it, exactly what it does. Is it
17 appropriate to do that?

18 DELEGATE KILGORE: That will be fine.

19 SENATOR WAMPLER: It's the Dream It Do It
20 application. As best I can determine, it was for job training for
21 manufacturing. My question to the staff would be, have we communicated
22 with VEC or any of the job training pots of money that are available, and if
23 so, how much are they doing, are they going to contribute to this?

24 MR. PFOHL: Yes, actually, the primary source of
25 funding has been the Virginia Works money that was funneled through the

1 state Department of Housing and Community Development last year and is
2 matched by the localities that participated in that. Beyond that, the challenge
3 for these folks has been that the ACD extended the project period but did not
4 have the money to try to stretch out their marketing effort over an additional
5 year. The executive director of the program is here and might be able to
6 answer your question better than I did.

7 MR. KRAVITZ: My name is Bruce Kravitz,
8 Director of the Dream It Do It Program, which is a function of the Smyth
9 Washington Regional Workforce Consortium. As Mr. Pfohl said, we have
10 been funded by the state grant, and originally a one-year grant. They
11 decided they would extend it for a second year. Our partners in this are the
12 state, which contributed a great deal of money, 900,000 was our grant, and
13 more than matched by local contributions in-kind in a match of 954,000.

14 We found out very recently that the extension was going to
15 occur without any money to go along with it. Because of that, we were
16 spending money at a rate that was exhausting the funds we were awarded in
17 June of this year. We're trying to fund the second year of the program, and
18 the state is allowing us to continue, but this needs to be funded in the
19 promotions area.

20 The basic purpose of the program is twofold. One is to promote
21 manufacturing, which is the major economic driver in our area, because
22 people don't recognize that even in a rural community, such as Smyth and
23 Washington Counties, there are almost 90 manufacturers.

24 The other part, to improve the image of manufacturing. Those
25 of us who remember in the old days when manufacturing was promoted as a

1 dirty industry, and that's not true anymore, with advanced technology.

2 The second part of the program is the training portion, which is
3 aimed at the unemployed and underemployed and the currently employed.
4 By that I mean incumbent workers need to be sent to training so they can
5 improve their skills and work up in their careers. That allows entry level
6 positions to be created to seek the underemployed. Many of these people are
7 coming either from the farms, or they come from industries that are closed,
8 or those that are just unemployed because of lack of industries. We think
9 that the retraining is very important, and the advanced technology offers that
10 opportunity to many workers. People can be retrained and perfect skills
11 today, they just need a chance.

12 SENATOR WAMPLER: Thanks for all that
13 information. I guess my question is, of the \$213,000 what percentage of that
14 is your total operating budget? Is it a hundred percent or fifty percent?

15 MR. KRAVITZ: Our total budget is more than \$3
16 million.

17 SENATOR WAMPLER: The basis of those funds
18 is what now?

19 MR. KRAVITZ: The total program was \$1.8
20 million; \$900,000 from the state, \$954,000 from local matching and in-kind
21 contributions.

22 SENATOR WAMPLER: What is your operating
23 budget this year?

24 MR. KRAVITZ: The operating budget for the
25 entire program is \$1.8 million.

1 SENATOR WAMPLER: I'm not trying to be
2 argumentative, but I have a hard time understanding. What are you going to
3 use the \$213,000 for? How much of your operating budget is that?

4 MR. KRAVITZ: Our budget is segmented into
5 three areas. One is administration, the second is training and reimbursement
6 funds, the third is promotions. It's promotion for the industry I mentioned,
7 promotion of the training programs. The \$213,000 would be going
8 specifically for the promotion of the program, because that's the part the
9 state would not agree to.

10 SENATOR WAMPLER: What is a promotion?

11 MR. KRAVITZ: Promotion is the creation of
12 advertising training programs with entities like Virginia Highlands
13 Community College, Bristol Community College, Washington County Skills
14 Center. Also, to create the Career Pathways Program at local high schools to
15 develop careers and interest for students leading to manufacturing careers
16 once they get out of high school, going into various training involved with
17 those jobs that are currently available. It also involves advertising the
18 activities for local career fairs and job fairs, open houses with manufacturers,
19 and promotional materials.

20 SENATOR WAMPLER: The percentage of
21 \$213,000 is what? Twenty-one percent of your operating budget? Your
22 operating budget this year will be, you told me it was 1.8 last year.

23 MR. KRAVITZ: One point eight was the entire
24 program.

25 SENATOR WAMPLER: Tell me what your

1 operating budget is for a year.

2 MR. KRAVITZ: Frankly, I haven't figured that
3 out, based on not knowing if the Commission was going to be willing to
4 fund this.

5 SENATOR WAMPLER: Mr. Chairman, where
6 I'm going is, what slice can we do, and what exactly are we going to buy?
7 That's where I was going to go with it. I wonder what other sources of
8 funding are available, whether it's Economic Development or --

9 MR. KRAVITZ: We are partnered with VEC
10 promoting this program. One of the promotional efforts, and I'm going to
11 answer your question, was the purchase of Internet interactive kiosks that we
12 put in public locations for those people who have access to computers at
13 home. Our program is designed as a pilot project put together by the
14 National Association of Manufacturers. Meeting people and getting
15 acquainted with manufacturers and working towards careers in that field.
16 You can do it on a Web site. Make sure that people have the ability and
17 have those types of activities. We purchased a dozen Internet interactive
18 kiosks, placed them in the community colleges, high schools, the Bristol
19 Mall or the Abingdon Center Mall, so that they would be accessible.

20 SENATOR WAMPLER: If we awarded
21 something less than 213, could you ratchet your program around that?

22 MR. KRAVITZ: Unlike the brick and mortar
23 program, our program is flexible, depending on the amount of funding we
24 get for each of the elements.

25 SENATOR WAMPLER: Or you could find

1 somebody else for additional funding.

2 MR. KRAVITZ: Yes.

3 SENATOR WAMPLER: The Commonwealth is
4 not open for job training.

5 MR. KRAVITZ: The Virginia works program that
6 we were granted with a one-time deal, and there is no other well to go from.

7

8 To answer your question, the 213,000 would be against the
9 original plan for 300,000 for the promotion program.

10 MR. MONTGOMERY: You said you budgeted
11 for three parts, one of them was administration. How much is
12 administration?

13 MR. KRAVITZ: I believe the administration
14 budget was 159,000, and the training budget was 451,000, and the
15 promotion budget was 300,000. That was the division of what the state had
16 given us in-kind and matching, the combination of the donation of office
17 space. Then we got in-kind contributions for training. The community
18 college and the Washington County Skill Center donated as a match to the
19 program.

20 DELEGATE KILGORE: All right, thank you. I
21 think we'll just go ahead and start going down the list.

22 We've already heard from the Regional Farmer's Market.

23 DAVID MERRITT: This program is fully funded
24 by Washington and Smyth Counties. There are no administration personnel
25 costs. My name is David Merritt.

1 DELEGATE KILGORE: Now, please keep your
2 comments brief and to the point, and we'll just start going down this list. If
3 you feel you need to speak, speak.

4 The Town of Abingdon, Dunn's Meadow.

5 MR. MOORE: This is a project that came out of
6 Washington County, the acquisition of Dunn's Meadow Properties. That's
7 all a part of a project we're working on. This project came out of
8 Washington County. Dunn's Meadow in the Revolutionary War is part of
9 this project that we're working on, and this area has quite a bit of history. I
10 believe it was General Ferguson who came marching up, and they were shot
11 and they lost the war, and that was one of the turning points in the
12 Revolutionary War, and they stopped in Abingdon.

13 This property came on the market, and we wanted the town to
14 purchase it, and we negotiated the price, less than what the asking price was,
15 and we were put into the state for funding of a half million. We worked on
16 it, and we got 50,000. The town took an option on the property. Right now
17 the price is 800,000. We were hoping to get some money from you guys.
18 The town will put in the other half, 400,000.

19 We'd like to develop the property and the house and the land. If
20 we can't get enough money, we probably would sell the house and keep the
21 land. The town would like this to happen, and we really need your support.

22 We talked to the National Parks Service, and we've had quite a
23 bit of information from them. We also are working on this program for the
24 school kids, grounds; all-in-all this is very important to us. If you could help
25 us any way, we would certainly appreciate it.

1 DELEGATE KILGORE: The Barter Foundation.

2 MS. DURANT: Good afternoon, thank you, Mr.
3 Chairman, Jane Durant from the Barter Foundation, the Barter Theatre. I
4 think Barter Theatre has a proven track record, not only increasing
5 employment at the Barter Theatre, but also we have a recruiting record. As I
6 said, we have a recruiting record for not only increasing employment at the
7 Barter Theatre, but helping the county, Washington County and other
8 counties in Virginia. We've increased spending because of bed and
9 breakfasts and hotels and retail stores by bringing in other money for people.
10 The economic vitality of the entire area has been helped.

11 The improved infrastructure will help the potential for job
12 creation, as well as tourism and employment in our entire area. We hope we
13 have a successful campaign so we can proceed. Thank you.

14 DELEGATE KILGORE: Bland County.

15 MR. SWEET: We'd just like to thank the
16 Commission and this Committee for consideration of this project. We feel
17 it's a legacy changing project, and it will help create jobs and bring business
18 into Bland County and establish opportunities for its citizens and the region.
19 So, we thank you.

20 SENATOR WAMPLER: Sir, if I could ask you
21 one question. I like the project, and it makes a lot of sense. The question is,
22 how much do we actually approve, the request is for 500,000. Do I read the
23 application correctly for Bland County, you had money on the table of
24 100,000?

25 MR. SWEET: Yes, sir. we do. We have money

1 budgeted to match the Tobacco Commission dollars, and we have resources,
2 we're very resourceful. The land was donated, and we are seeking grant
3 dollars and have secured them. We got grants from the Virginia Department
4 of Transportation. We've extended water and sewer to the site. What we
5 need is some dollars to grade the site.

6 SENATOR WAMPLER: Mr. Chairman, if the
7 answer confirms what I think, as far as what the application stated, if we
8 were asked for a \$250,000 match from the County of Bland, can you do
9 that?

10 MR. SWEET: Two hundred fifty thousand, I can't
11 say that we can. That's a question for the Board of Supervisors. We'd have
12 to go back and look at everything. We have to look at what's in store for
13 2009 and 2008. We do have \$100,000 ready to put with the Tobacco
14 Commission dollars. Five hundred thousand would have done half, and
15 therefore we could attract business.

16 SENATOR WAMPLER: Mr. Chairman, we can't
17 turn three million into 26 million just by all the requests. I'm trying to figure
18 out how we might be able to do this, the project has lots of merit, and I think
19 we can find something.

20 DELEGATE KILGORE: Buchanan County IDA.

21 MR. HORN: I'm Craig Horn, Executive Director
22 of Buchanan County IDA. I'll be glad to answer any question towards the
23 project.

24 SENATOR WAMPLER: This is a complicated
25 application. My question is, how much is VCEDA committed towards the

1 project?

2 MR. HORN: VCEDA won't consider the
3 application until June, but I believe it's 5.7.

4 SENATOR WAMPLER: That's still prospective,
5 we don't know that yet.

6 MR. HORN: No, the county is committed to three
7 million, and the county has already committed the other 7.9 if VCEDA does
8 not commit.

9 DELEGATE KILGORE: Chilhowie Organization
10 for Arts. No one is here apparently.

11 The Crossroads Regional Industrial Facility Authority.

12 UNIDENTIFIED: I think the staff has
13 summarized this very well, and we thank you for your support. If this
14 investment is made, we believe it will pay off very well.

15 DELEGATE KILGORE: Thank you.

16 Daniel Boone Wilderness Trail Association. All right, no one is
17 here to speak for them.

18 Duffield Development Authority.

19 SENATOR WAMPLER: On the Duffield
20 Development Authority, I would just ask staff to roll that into the greater
21 Duffield plan, as we might take that up in October, and see what part of this
22 may fit into that, and just consult with the applicant to see how we might
23 accomplish the same.

24 MR. FLANNERY: Actually, I was going to
25 suggest that and try to do something noble, so I think that's fine.

1 DELEGATE KILGORE: You did something
2 noble, then.

3 MR. FLANNERY: Mr. Chairman, in the interest
4 of time, there are several applications we worked with in my office, and
5 maybe I can catch you up on a few points, and I'll be brief.

6 DELEGATE KILGORE: That will be great.

7 MR. FLANNERY: Fairview, a community that
8 our office has worked with. I know this is clearly not a direct Economic
9 Development program, but Fairview, as you know, Mr. Chairman, was very
10 active in tobacco production over the years. It's very close to Duffield, and
11 it's a major part of our labor drawing area, and it's important we maintain a
12 viable community down there. We've got 1800 people that work at the
13 Regional Park in Duffield. A lot of those people live in Fairview. And, I
14 just want to mention that, and we tried to catch that in the application.

15 The Town of Jonesville, our office did work with the town and
16 reviewed the application. I honestly believe this is a good application and a
17 good project, and I think it needs some refinement.

18 DELEGATE KILGORE: Do you know if the
19 Town of Jonesville is going to be operating that?

20 MR. SUTHERLAND: They'll be operating part of
21 that.

22 SENATOR WAMPLER: Mr. Sutherland, I'd like
23 to ask you a question. We're trying to do the best we can with the limited
24 dollars that we have. Are you ready to construct this tomorrow, or could it
25 be a planning grant to help get you on your way?

1 MR. SUTHERLAND: A planning grant would
2 certainly be helpful and allow us to prepare the project. As far as the
3 numbers, that would be supportive. Actually, the project could be broken
4 down in phases, also.

5 MR. MONTGOMERY: If we funded the Natural
6 Tunnel, would we fund the RV part of it?

7 DELEGATE KILGORE: It was an outreach
8 program by a group to promote the bridge facilities to RV groups. It went
9 somewhere. I think they brought people in.

10 MR. PFOHL: Yes, they brought in a group of
11 tourists. The tourism industry, and they had familiarization tours. In this
12 case the National RV Association. You host them, and they can see the
13 facilities. There was some additional marketing and outreach done.

14 MR. FLANNERY: Mr. Chairman, I was just
15 going to say that I think that, with some planning, this could be refined. We
16 have a serious shortage of campground space all over Southwest Virginia.
17 We have a mix of public sector and private sector facilities. Some have
18 great facilities, and some just need water and sewer. If the town is given an
19 opportunity to plan this thing through, it could present a pretty solid
20 operation and budget, as well as possibly find some additional funding to
21 make it work. I think it's something that deserves your attention.

22 DELEGATE KILGORE: What about job creation,
23 do you think it's going to do that?

24 MR. FLANNERY: It's directly related to tourism,
25 and you can never get your hands around job creation, but anything related

1 to the tourism industry and visitation, you've got to have lodging. Lodging
2 by definition is a basic employer, because those that stay there are not
3 residents.

4 DELEGATE KILGORE: What other ones do you
5 have?

6 MR. FLANNERY: The Town of Pennington Gap,
7 and that's 1357. The Lee County Restoration Project, and that's a build-on
8 and very successful to the downtown, that revitalization project.

9 DELEGATE KILGORE: I thought I heard Tim
10 say there is still some money there that they have not used.

11 MS. ROWE: I'm Tina Rowe. There are additional
12 monies there; we've just had a hard time finding the right fit for Pennington
13 Gap. We're working on some plans and trying to work with staff to create
14 jobs.

15 DELEGATE KILGORE: I think it's a good
16 opportunity here, but if you can work with staff for this October meeting,
17 that will really be helpful.

18 MS. ROWE: Okay, thank you.

19 MR. FLANNERY: The next project is Big Stone
20 Gap. We worked with the planning district in trying to bridge the gap here.
21 Some of their representatives are here as well as, a \$25,000 feasibility study.
22 This is as a result of the strategic planning process that they have done.
23 They're trying to build and diversify and improve their community. Our
24 suggestion, and they started modestly to do a business plan for this facility.
25 I think the application reflects their restraint and their responsibility.

1 DELEGATE KILGORE: Where is this going to
2 be located?

3 MR. FLANNERY: Mountain Empire Community
4 College.

5 MS. BAILEY: I'm Nancy Bailey. This is a study
6 we're doing to see if it will tell us if it's the best location, and we think we
7 have the best location. I just wanted to make a statement that as far as
8 economic development, and in our summary we put 10 to 15 full time jobs
9 and 15 to 30 part time jobs, and in our area that's a lot of jobs. We'd like to
10 work with workforce development, then we have the RN program and the
11 physical therapy, X-ray program, that's the X-ray technology program, and
12 those types of things. Some people can't get their degree work in because
13 there's no child care. Child care is one of the components of our plan.

14 MR. MONTGOMERY: Is this something similar
15 to the Oxbow?

16 MS. BAILEY: No, this has more of a recreation
17 component to it. Our committee was looking at facilities that would provide
18 after-school programs for children who are latchkey kids. It started out as a
19 boys' and girls' club type facility. We looked at what we didn't have there,
20 and we looked for a facility that we could offer swim teams. We're looking
21 at the other side of the building we're in right here. Something that we can
22 bring in -- we just heard one of the managers, or overheard one of the
23 managers saying looking for bus loads of children to come in after school to
24 participate in the programs. This is what we're looking for.

25 MR. FIELDS: What project number is that?

1 MR. FLANNERY: 1325. The next one is the Pro
2 Art, and our office didn't work on this. I do want to offer a crowning
3 endorsement from our agency. The Pro Arts is a very critical component of
4 our economic development strategy because of the programs they bring not
5 only to the public school systems throughout the region.

6 MR. ELLSWORTH: Mr. Chairman, I'm Lu
7 Ellsworth, and I'm on the Executive Committee of the Pro Arts, and I'm also
8 Chairman of the Virginia Commission for the Arts, having served as the
9 Chair for the last four years.

10 As Ron has indicated, over the last three decades Pro Art has
11 been developed by the citizens of Wise and now Dickenson County and Lee
12 County. This is a premier rural arts organization in the Commonwealth. In
13 fact, it's recognized by the National Endowment for the Arts as one of the
14 five premier rural arts presenting organizations in rural America.

15 The request is for capital projects in order to enhance the ability
16 to provide the citizens of the region and school children with topnotch
17 technical support for productions that come in from throughout rural into the
18 mountains and the coalfields. We hope that at some point funds will be
19 available to support this capital project. You have lined up in matching the
20 two foundations if we are able to secure the capital purchase funds from the
21 Tobacco Commission. Thank you for your time.

22 MR. FLANNERY: Mr. Chairman, at 1356
23 Duffield Regional Technology Center. We're appreciative of the staff's
24 recommendation for 200,000, and that can kick off the design phase. As a
25 matter of interest, the agency I work for Lenowisco, commitment for

1 employment growth. We have agreed to sell our office building to a medical
2 group. It's a transaction that's moving forward. If we don't succeed in
3 finding an alternate office, I may be back in August and ask for a tent or
4 something. That's an expression of our commitment to that.

5 The last one I'll mention is the Gate City Performing Arts
6 Center, 1332. This is a project that John Kilgore and I have worked on. We
7 think it's a very worthwhile addition to Gate City, particularly because of the
8 Crooked Road. We need a venue there to help promote an important part of
9 tourism.

10 In the interest of time, I think that covers everything. I just
11 thought we could compress this a little bit. I'll be glad to answer any
12 questions.

13 DELEGATE KILGORE: Any questions of Ron?

14 UNIDENTIFIED: I'd like to speak to the therapy
15 and community center. I just wanted to tell you all this is a great project for
16 our area of Fairview. This will serve a social and civic use. We have four
17 retired teachers, and I'm one of them. We'd like to see the school move more
18 toward cultural education things. There is a lot of enthusiasm in our
19 community. We did get a \$25,000 grant, and thank you. We matched that
20 with in-kind. I wanted to let you know that an approximately \$18,000 match
21 and volunteers in our area. Other monies were collected, and that just gives
22 you an idea of the enthusiasm. I just couldn't come up here and not tell you
23 that we appreciate the consideration, because we really could use that, and it
24 will be put to good use. Thank you, very much.

25 MR. FLANNERY: Mr. Chairman, 1345, and I did

1 work with Tim. On this particular one, that's for the Constitutional Oaks
2 spec building. The staff has recommended 425 for that. We're appreciative
3 of staff's wisdom in selecting that, and the Partnership supports this, and
4 Lenowisco supports it, and VCEDA supports it. We need a spec building
5 there, and this is a great facility. This month your Broadband system is
6 going to go by the front door, and we'll have full services there. Well, it's
7 already there.

8 That concludes the projects our office has been involved in.
9 Thank you, very much.

10 MR. LONG: I'm Tim Long. We're also a partner
11 with Rural Development. We got a \$100,000 grant from Rural Development
12 and our IDA, and we have a partnership with our electric company, and also
13 Rural Development will get the remaining 300,000 as a loan. Two years
14 free of charge, no interest and no monthly payments. After two years, if we
15 don't conclude our business, we'll take responsibility of paying the interest.
16 That's Constitutional Oaks, and we've been driving to get that done. We've
17 got a great site, and you guys have helped us. Right now what's driving
18 economic development having a building and having something available
19 and they can move in there on a quick and timely fashion. Water and sewer
20 is there, electricity and Broadband. We just need the building, and we
21 appreciate your support.

22 DELEGATE KILGORE: I think we're back to the
23 Town of Fries.

24 Yes, sir.

25 MR. REED: I'm Brian Reed, Town Manager. I'd

1 like to thank the Commission for the consideration. The Town of Fries came
2 back in August, the master plan was completed for the property currently
3 underway using the redevelopment plan. As the recommendation states,
4 190,000 awarded in '06 and still remains, and that's due to holdups on
5 shipment issues, some asbestos. It's moving along now, and I talked to Tim
6 about it.

7 DELEGATE KILGORE: What did you talk to
8 Tim about?

9 MR. REED: About the master plan. I think the
10 Commission wants to see the final outcome.

11 DELEGATE KILGORE: Right.

12 MR. REED: That's coming along.

13 SENATOR WAMPLER: If we don't fund this,
14 will they have to stop work on the project? And, how will you repay that
15 loan?

16 MR. REED: Water rates, probably.

17 SENATOR WAMPLER: Mr. Chairman, the
18 situation I bring up to the Committee, we thought it was a good project a
19 while back, and I still think it's a good project. I think the tipping fees is
20 probably what -- what are you going to do with the product once you
21 eliminate what the government has told you you had to do. I would say, Mr.
22 Chairman, this is one that has merit, and if we don't have the dollars today,
23 this is something we need to see across the finish line. At the appropriate
24 time we make recommendations, I don't know if we're going to do it today or
25 not, but this is one we shouldn't stop on.

1 MR. REED: Well, please don't forget about it.

2 SENATOR WAMPLER: I'm just worried about
3 having to stop work and then interim financing.

4 MR. REED: We had to stop once, and actually the
5 contractor started on Halloween Day, and we made them leave the site eight
6 days later after we got a landfill bid. We re-negotiated with the contractor
7 on their scope of work. They started back two weeks ago, everything is
8 going as planned now. The Town of Fries has stated to take the
9 responsibility of the tipping fees of the landfill, and we're just providing
10 from the reserves or the Town reserves now until we run out.

11 SENATOR WAMPLER: Mr. Chairman, I'd ask
12 the staff to follow where we are with the project and report back to us at the
13 next meeting, maybe to the extent that the staff recommends funding the last
14 phase of the project.

15 DELEGATE KILGORE: Thank you. Next, Town
16 of Lebanon, Commercial Water Improvements. No one is here.

17 Tim, Lee County IDA, all right.

18 Town of Marion, Downtown Revitalization.

19 MR. ELLIS: I'm Joe Ellis. We'd like to tell the
20 staff we'd like to look at later offers. Wythe County has quite a bit of
21 tourism. On this particular project, and I'm not a historian, I've looked at our
22 assets to see if we have the money and what we have, and with that I've
23 benchmarked, and we can have 60,000 visitors to a very small town. I've got
24 various statistics with the added motorsports, 70,000 visitors for a race track,
25 and we figured this would make an economic impact. We'd like to try to get

1 a 25,000 match fund to stabilize this building. We have very few in Marion.
2 We need to fix this building, and the roof is leaking. The only thing we're
3 asking today is consideration for a match to get the 25,000. If the roof goes,
4 we'll just have to end up trying to get more. So we'd appreciate any help.

5 DELEGATE KILGORE: Thank you. Old High
6 School Renovation.

7 Town of Pennington Gap, Russell County IDA.

8 MR. RUTHERFORD: Mr. Chairman, Terry
9 Rutherford. On behalf of the county and its citizens, we'd like to thank you
10 for your consideration that you've given us in the past. We appreciated it
11 very much. We also appreciate you taking the time to be here. If you have
12 any questions, we'll be happy to try to answer them.

13 As a point of information, we are on schedule to turn this
14 facility over to UVA Wise on August 2nd. Thank you, Mr. Chairman.

15
16 SENATOR WAMPLER: I support this project, and we're
17 going to end up funding probably a hundred percent of what staff
18 recommends. Did I understand that they're going to request another million
19 dollars in the next cycle?

20 MR. PFOHL: They indicated in their application
21 they intend to apply this fall for an additional million dollars currently as
22 loan money. They started construction so they can meet the August deadline
23 using a blend of our previous grant and a loan of 1.5 million, the money
24 they're asking for today. Then they indicated in the application they'd like to
25 come back in August and have us retire two-thirds of that loan.

1 SENATOR WAMPLER: Am I correct, then, that
2 we, the Tobacco Commission, would have 4.6 million in the project?

3 MR. PFOHL: That would pump us up to two
4 million of a \$2.5 million project, specifically on the training center. The
5 other dollars we were referring to were dollars to attract CGI and Northrup
6 Grumman.

7 SENATOR WAMPLER: I hope, Mr. Chairman,
8 and I hope the number goes well over 4 million when the Tobacco
9 Commission has invested, I think that's what we've invested in the project. I
10 thought we put, I think it's over two million, when we closed the deal the
11 first time.

12 MR. RUTHERFORD: You're talking about the
13 CGI and Northrup Grumman, you're putting that in?

14 SENATOR WAMPLER: Yes.

15 MR. RUTHERFORD: The thing on the other
16 million dollars that was a recommendation by part of the staff to put that in
17 there and come back.

18 SENATOR WAMPLER: Whose staff
19 recommended that?

20 MR. RUTHERFORD: I'll take the Fifth
21 Amendment on who did it.

22 SENATOR WAMPLER: That's important. Was it
23 the Tobacco Commission?

24 MR. RUTHERFORD: Yes, at the meeting in
25 January, and that's the reason that was included in there. Not that we were

1 trying to push you or anything, but we recommended that we do that.

2 DELEGATE KILGORE: Scott County Economic
3 Development. Anybody here from Scott County?

4 Smyth County Board of Supervisors.

5 MS. MORGAN: I'm Sally Morgan from Smyth
6 County. I want to thank you all for considering the second round of funding
7 this year. I understand the staff's recommendation, and some of our other
8 major sources of funding are still pending. Hopefully, in the August round
9 we'll be able to get some funding for the project. The project does serve
10 commercial businesses but also serves Mountain Empire Airport, which has
11 expansion plans. It also serves some of our major employers in the county.
12 Some of the employers have gone through a tremendous modernization of
13 their plant, getting a lot of robotic equipment, computer-controlled
14 equipment, and the advanced skills that Bruce talked about earlier. They
15 have been prevented from expanding.

16 The Appalachian Trail crossed right here, and one of the few
17 places. I think it crosses I-81. There's a good market for businesses there
18 for people that turn off the highway. The Dairy Queen, the owner had a
19 difficult time leasing that.

20 Thank you --

21 DELEGATE KILGORE: It's not there anymore.

22 SENATOR WAMPLER: A quick question. The
23 application states that the Appalachian Regional Commission declined your
24 first offer.

25 MS. MORGAN: Yes.

1 SENATOR WAMPLER: Are you going to
2 reapply to them?

3 MS. MORGAN: I think we will, I don't know if
4 we documented some of the things we tried to do, but it could be improved
5 on.

6 SENATOR WAMPLER: I'd just say to the
7 Committee that I think that, I know you will, and I urge you to do that, but I
8 would hate for us to have to fund a half million dollars that ARC probably
9 should fund, and when you look at the folks asking for money, we'd like
10 them to be the payer of first resort, rather than us.

11 MS. MORGAN: Their lack of funding probably
12 had to do with the same issues about having the large grant.

13 DELEGATE KILGORE: Are you going to speak
14 for the IDA?

15 MS. MORGAN: I can, and we've been involved in
16 that. I know that we appreciate your consideration on this request.

17 UNIDENTIFIED: I'm here as a public citizen. I'd
18 like you all to know we're always recruiting new companies, and we've been
19 here for 28 years and paid over a million in payroll. This is an opportunity
20 for local businesses, and thank you, so much.

21 SENATOR WAMPLER: Would this allow you to
22 maintain your competitive edge?

23 MR. ELLIS: Yes.

24 SENATOR WAMPLER: And not lose business
25 for the market share?

1 MR. ELLIS: Yes.

2 MR. DAWSON: I'd just like to say that we have,
3 we employ 200 at this time, and we spent three and a half million dollars.
4 We have 50 new jobs in our plant. This program is an essential program to
5 especially the 20 manufacturers that are in this new program. We're
6 committing our time and efforts to do this, and we appreciate your time and
7 your efforts. We need to spend approximately another million dollars.
8 We're looking to hire another 100 people. This isn't job creation, but job
9 filling. That's what this program is all about. This program is to fill the
10 needs for 20 manufacturers right now. Four hundred positions that need to
11 be filled in Southwest Virginia. This is a program that is essential because
12 it's a mind-changing program. We have to change the minds of educators,
13 parents, all the teachers and everyone, that manufacturing has jobs available
14 for people. Most feel that manufacturing is leaving, but it's not, or not here.
15 We have manufacturers that want to hire 240 people, want to hire 100. We'd
16 appreciate your help and support because, our parent company is looking to
17 spend and looking to see what communities are going to do to provide
18 people to fill these trained jobs. In this program so far we've trained 51
19 people who will now create 51 openings, because these people are moving
20 up in their job, and this program is just essential. None of the funds can be
21 transferred from one budget in Bruce's budget to another to promote the
22 program. The shortfall in promotions is critical, because if we can't get
23 people to use the other portions of the funding of the program because we
24 can't promote it enough, then we're not going to have people trained; we're
25 not going to get the message out. I just wanted to remind you this is an

1 essential program, and all these 20 manufacturers are looking for support in
2 this program.

3 DELEGATE KILGORE: Thank you.

4 The Southwest Community Foundation.

5 MR. DICKSON: Thank you, Mr. Chairman. I'm
6 Jay Dickson. I'm Chairman of the Southwest Virginia Community
7 Foundation. We're here with six of our seven board members. I'd like to
8 thank all of your commissioners and staff for your favorable consideration of
9 part of our grant request and one that will help us begin completing the
10 planning for the performing arts center. We think this will be a huge success
11 in terms of economic development and revitalization.

12 DELEGATE KILGORE: Thank you.

13 Town of Damascus.

14 Town of Glade Springs.

15 Town of Hillsville.

16 MR. SOUTH: Mr. Chairman, we appreciate the
17 staff and the Commission's efforts. The town does have a little sense of
18 urgency for this project, as some of you have discussed recently, the 58
19 bypass may actually happen, the 58 bypass on the south side of Hillsville.
20 It's really important for the town that we get increased size water line and get
21 the water facilities on the south side of that bypass. Any reconsideration you
22 can give us we certainly would appreciate.

23 SENATOR WAMPLER: As far as the sense of
24 urgency, what would an October funding cycle do?

25 MR. SOUTH: I think the actual construction plans

1 could be mid-summer. Certainly, we'd ask for any consideration possible.
2 We'll certainly make application for that.

3 SENATOR WAMPLER: This is more of a general
4 comment, but I think it's appropriate. What strikes me of all the applications
5 is that there is a lot of good infrastructure projects for water and sewer. We
6 have three million out of 25 million of requests, and two or three of the
7 infrastructure projects would wipe us out, and we'd have no more money to
8 allocate. The Chairman, rightfully so, has talked about if we securitize our
9 funds what dollars we might have. I would suggest, Mr. Chairman, to create
10 a task force for us to examine between now and the next meeting the water
11 and sewer projects so we know how much a project costs and how much we
12 need in grants, or whether it's still affordable to do that. We ought to be
13 doing a project if it makes total sense, and it's all about creating jobs, and ten
14 years from now we'll be the beneficiary of that.

15 DELEGATE KILGORE: You just got a new job,
16 Mr. Thompson and Senator Puckett. That would be great if you'd all do that.
17 Look at the economic outcomes and what it's going to do, and that's what's
18 important. If we can show what it's going to do for economic development,
19 I think that's a good idea. You might get somebody like Ron Flannery back
20 here to help you. That's a noble idea. Appreciate you coming.

21 All right, the next one is Washington County, Project Duty.

22 MR. PRINCE: I'm Greg Prince, President of our
23 foundation, and we appreciate your consideration. We started this back in
24 1999. You all have given us a little money to keep the building from falling
25 down. We have almost 500,000 VDOT and Department of Transportation

1 money to begin work on the restoration. Seven hundred sixty-seven
2 thousand is what we're asking over a three-year period to match the three-
3 year term of the restoration that is funded by the Department of
4 Transportation. We'll be back and ask again for some money. Thank you.

5 DELEGATE KILGORE: Thank you. The other
6 two are Wise County IDA and Wise County Public Schools.

7 MR. MOORE: Mr. Chairman, after speaking to
8 you I have found this information, the estimated cost now is 300,000, and
9 that's about half; the town will pay the rest.

10 DELEGATE KILGORE: Mr. Moore says the total
11 costs if 300,000 now, and he's going to pay for half.

12 MR. MOORE: We're going to do it, and it's being
13 done.

14 DELEGATE KILGORE: All right, we've gone
15 through these, and now comes hard part, and how I would suggest doing it, I
16 have no money right now available unrestricted. I have 151,000 right now
17 unspent in restricted, which is bricks and mortar. So now we'll go down the
18 list.

19 The Farmer's Market.

20 DELEGATE JOHNSON: Mr. Chairman, I move
21 that the request for Farmer's Market in Abingdon be approved. If you look
22 at the mission and go back, and I don't have a thing against education or
23 what have you, but we've got farmers that have lost a way to produce an
24 income. We encourage them to grow other products, and we have to have a
25 place for them to sell their produce. I believe we're obligated to do this.

1 MR. BANNER: Second.

2 DELEGATE KILGORE: I'm not going to vote on
3 any of these until we go through them all, then we'll have to figure out what
4 we'll have to do. That will be out of restricted.

5 Town of Abingdon, Dunn's Meadow.

6 DELEGATE JOHNSON: Mr. Chairman, it
7 appears we have no money. I would suggest we put this on hold until the
8 next meeting.

9 MR. MONTGOMERY: I'm on the board here, and
10 I don't want to create a conflict, so I won't vote. I do think this is a worthy
11 project.

12 DELEGATE JOHNSON: You want to wait until
13 our October meeting? Then maybe we can get some more details on it.

14 MR. MONTGOMERY: That would be find.

15 SENATOR PUCKETT: I would second that.

16 DELEGATE KILGORE: Bland County.

17 SENATOR WAMPLER: Mr. Chairman, I don't
18 know what the right dollar amount is. By the time we get through the
19 balance of the projects we'll have to shave on a few here and there, and I
20 don't know if you want to come back and revisit this and maybe one or two
21 other of the larger projects and see if we can find some money, maybe come
22 back to it.

23 DELEGATE KILGORE: All right.

24 Bland County.

25 MR. MONTGOMERY: The only comment I have

1 about it is it's a worthy project, but remember that Washington, Russell and
2 Lee and Scott have 90 percent of the tobacco allotment. We're charged by
3 law to revitalize the tobacco economy. I think sometimes we've leaned over
4 too far to be fair on a regional basis and we've been unfair to the tobacco
5 region. While I guess they could get some money, it's a little bit of a stretch,
6 considering the tobacco and the allotment in that county.

7 DELEGATE KILGORE: Chilhowie. Are you
8 talking about Buchanan?

9 MR. MONTGOMERY: Any county that doesn't
10 have much tobacco. I think when you consider which county has the
11 poundage, Lee County, I think, had two million pounds.

12 DELEGATE KILGORE: We'll come back when
13 we figure out what we've got.

14 Chilhowie. Moving on, Crossroads. The next one is Daniel
15 Boone Wilderness Trail Association. They did a good job, there is a park
16 there. We want to be part of this, maybe we can work something out
17 between now and October, get with our staff, and let's see what we can do.
18 The same with Duffield Development Authority. Fairview Citizens
19 Corporation.

20 SENATOR WAMPLER: Mr. Chairman, I'm
21 going to make a motion that we add \$25,000, and I think we could do it with
22 restricted dollars.

23 MR. PFOHL: For roof repairs.

24 SENATOR WAMPLER: That's within the
25 restricted.

1 MR. FIELDS: I'll second that.

2 DELEGATE KILGORE: Town of Fries.

3 SENATOR WAMPLER: What we heard was the
4 Town of Fries is willing to work on some interim financing and there'll be
5 no action necessary at this meeting. Although I wish we could do
6 something, I hate to see the town go into debt.

7 MR. REED: Twenty thousand.

8 SENATOR WAMPLER: The financing would be
9 for six months. How long do you think the term of your interim financing
10 would be?

11 MR. REED: A portion of it would probably be six
12 months.

13 SENATOR WAMPLER: I'm trying to figure out
14 the debt service on it, or on an interest-only loan for financing. So the town
15 wouldn't, Mr. Chairman, I'd make a motion that unrestricted dollars --

16 MR. NOYES: -- There are some unrestricted
17 dollars available.

18 SENATOR WAMPLER: I don't think we can use
19 restricted dollars for debt service.

20 MR. STEPHENSON: Correct.

21 SENATOR WAMPLER: I make a motion we
22 allocate an amount up to \$20,000 for debt service of their interim financing,
23 out of unrestricted dollars.

24 DELEGATE KILGORE: Moving on to the Town
25 of Jonesville.

1 MR. MONTGOMERY: I agree with Mr.
2 Flannery, this is a very worthwhile project. I read the application, and the
3 two lines that staff emphasized, seven other paragraphs, but it's emphasized,
4 tourism. I don't live in the Town of Jonesville, and I don't think I have a
5 conflict. I think it's an excellent project.

6 DELEGATE KILGORE: Is there a motion?

7 MR. MONTGOMERY: I'll make a motion.

8 MR. FIELDS: I think I heard Mr. Sutherland, an
9 opportunity for a study of this, and give them sometime to refine this. How
10 much would that take?

11 MR. MONTGOMERY: Fifty thousand would be a
12 starting point. I'd make that motion.

13 SENATOR WAMPLER: I'll second it.

14 MR. PFOHL: I'd ask for clarification. A study of
15 architecture or engineering would be eligible for restricted funds. A study
16 for the feasibility of marketing would be unrestricted. Is there a need for an
17 engineering study, utilities, site improvements?

18 MR. FLANNERY: I think I can say that it's less
19 than 10 percent. It would be a technical design, and I think that's eligible for
20 restricted.

21 MR. MONTGOMERY: Some question of access.

22 DELEGATE KILGORE: Town of Lebanon.

23 Lee County IDA, Lee County IDA Constitutional Oaks. Lee
24 County IDA Constitutional Oaks Medical.

25 Marion Revitalization Downtown Development and

1 Revitalization Association.

2 SENATOR WAMPLER: I'd make a motion to
3 recommend 25,000 from restricted.

4 DELEGATE KILGORE: You'll have to come up
5 with that.

6 Old High School Renovation.

7 Town of Pennington Gap, we already discussed that one.

8 Planning District One, Behavioral Health Services.

9 MR. THOMPSON: I'd make a motion for the
10 25,000 on that, unrestricted.

11 DELEGATE KILGORE: Pro Art Association.

12 SENATOR WAMPLER: I don't think we can do
13 the \$100,000. I don't know if the Committee wants to invest in that. The
14 total project is 125 and \$25,000 matching grant, I don't know what that
15 would do to the overall project.

16 MR. ELLSWORTH: There are two pieces to the
17 project. One was lighting and one was sound, 25 to match to get us to one of
18 those pieces.

19 SENATOR WAMPLER: Lu, would a \$50,000
20 grant help your match in your fund-raising campaign? Could you get
21 somebody for another 50 after that?

22 MR. ELLSWORTH: We can try. We want to try
23 to do the whole project.

24 SENATOR WAMPLER: The reason you have to
25 do it now, versus May of '08 or October of '07?

1 MR. ELLSWORTH: Two reasons, one is that we
2 and another group, there's a question, or there's a performance there, last
3 week by another group, and the lightning system has become available, and
4 what we have is totally inadequate. By installing these systems now, we can
5 save about \$10,000 on operating costs in terms of rental, and that savings
6 would help our operating budget.

7 SENATOR WAMPLER: Mr. Chairman, I'd make
8 a motion of restricted dollars and recommend an award of 50,000 with a
9 match. December 31, that's my recommendation.

10 DELEGATE KILGORE: All right. Scott County.
11 If nobody says anything as I go down them, I'll just leave them alone.

12 Smyth County IDA, Smyth Washington Industrial Facilities
13 Authority, Southwest Virginia Community Foundation. The Town of
14 Damascus, the Town of Glade Springs, Hillsville and Washington County.
15 all right.

16 What's the final figure?

17 MR. PFOHL: Seventy-eight thousand dollars, 350
18 hold. We have ten extra dollars there. We over-recommended 45,000 in
19 unrestricted.

20 MR. NOYES: Where is the 45,000 in
21 unrestricted?

22 MR. PFOHL: You've got the Big Stone Gap and
23 20,000 for Fries.

24 MR. NOYES: You're still carrying that as
25 unrestricted?

1 DELEGATE KILGORE: We want to move Fries
2 over, I think we can move it over to restricted.

3 MR. PFOHL: If it's not used for debt retirement
4 and actually used for site work.

5 DELEGATE KILGORE: We can use it on site
6 work.

7 SENATOR WAMPLER: I'd make that in the form
8 of a motion, Mr. Chairman.

9 DELEGATE KILGORE: What's the new total?

10 MR. PFOHL: Ninety-eight thousand three
11 hundred fifty over, restricted. Twenty-five thousand over in unrestricted.
12 We've got to come up with 125,000.

13 SENATOR WAMPLER: I would caution the
14 Committee spending this down to a zero balance. Every year we've always
15 kept some amount of money in the budget so that when a prospect came to
16 town and didn't fit into anybody else's program we were the only ones that
17 could close the deal. It's whatever the will of the Committee is, but taking it
18 down to a zero balance means that we don't have an option to be a player in
19 closing a deal if an industry were to come to town. I dare say that the
20 County of Bland's ten jobs, that anybody's criteria for job creation, I don't
21 know, so it's a good thing we have some dollars left. I would caution the
22 Committee to think about that, so that we might need to come up with some
23 dollars.

24 DELEGATE KILGORE: I understand what you're
25 saying.

1 MR. BANNER: What's the total amount we need
2 now?

3 DELEGATE KILGORE: We need almost 100,000
4 to balance restricted and 25,000 to balance unrestricted. I don't want to be
5 the first chairman that has spent in the red.

6 MR. FIELDS: Do we need to keep a balance in
7 restricted?

8 DELEGATE KILGORE: The thing about it is,
9 Fred, that you're going to have some dollars on July 1 in the new budget
10 from the securitization.

11 MS. WASS: Both restricted and unrestricted.

12 DELEGATE KILGORE: Do you know what the
13 breakdown of that is going to be?

14 MR. STEPHENSON: Twelve five and three
15 million five.

16 MR. NOYES: 12.5 million unrestricted and 3.5
17 restricted.

18 MR. BANNER: I propose we look at the Bland
19 Project and fund that at 250,000. These are all worthwhile projects.
20 Everybody knows the financial situation. I recommend we reduce that to
21 250 and the Buchanan IDA Project from 500 to 250, and that will reduce it
22 by half. That would enable us to pay 100,000 that we're in the red now and
23 still have roughly 250.

24 MR. FIELDS: I'll second that.

25 SENATOR PUCKETT: How much have you

1 reduced everybody?

2 MR. BANNER: Reduce Bland County by 150,
3 give 100,000; and Buchanan County, divide that in half, 250.

4 DELEGATE KILGORE: Discussion.

5 SENATOR PUCKETT: Well, both those projects
6 came with a staff recommendation, they're pretty worthy. I wonder what
7 that does to the project. Can someone speak to that?

8 MR. SWEET: The 275,000 is suitable to secure
9 the project; it's still a suitable project. It's a net of about 10 new jobs and
10 retain about 15. So, it's a total of about 25 jobs with the ability to go to a
11 \$1.5 million investment. Then if we reduce these funds we need to locate
12 the business. I don't know that we'll be able to grade the site. This is our
13 first request, and we felt it was a good project. That will really reduce the
14 grading of the site. Of course, the TROF monies were needed to fund the
15 whole deal or close the deal.

16 MR. FIELDS: I'm not sure you answered the
17 Senator's question, what does it do to the project?

18 MR. SWEET: It would stymie part of the project.
19 There won't be enough dollars to grade the sites for this project.

20 MR. BANNER: Is the 250 a bare-bone amount
21 that you requested?

22 MR. SWEET: It's a \$1.2 million project to do the
23 entire project. We applied for half, and that's all we need to do that, to make
24 it available for the project. The county has about 600,000; to reduce it to
25 100,000, we need 200,000 to really locate the facility.

1 DELEGATE KILGORE: If you get 150 will that
2 help you?

3 MR. SWEET: Of course, it will keep it going.
4 Although, it's difficult to say, and Senator Wampler asked that question
5 earlier. If we got the 250 I think we could come up with the other 250. We
6 would secure the location of the project. The 250 is necessary, even with a
7 bare-bone minimum like the staff recommendation.

8 MR. BANNER: My next question, the Buchanan
9 IDA project, reduce it by half, what would it do to that project?

10 MR. HORN: I can't say that it will stop the
11 project, it will not. We had a contract that we signed, and we have to do
12 that, and we've got to get the money. This money will help us get through
13 this fiscal year; by that time, we're hoping we'll have some money from
14 VCEDA. We had to move some money because of the change of the
15 revenue sharing program with VDOT. We have had revenue sharing on
16 those, so we've had to take some money from other programs that we have to
17 cover the budget. We've got our budget down to a bare minimum to meet
18 the schedule of this company. That's a \$12.7 million project, and we have
19 matched this money, and I think we've done very reasonable. I understand
20 that these issues come up, but we're down to a bare-bones minimum. We'll
21 have to go with whatever we can get.

22 SENATOR WAMPLER: Let me explain
23 something. VCEDA is sitting on at least \$20 million, if not \$30 or \$40
24 million, and we have \$3 million with \$25 million dollars of applications. A
25 lot of people are going to walk out today unhappy because, I hope all this

1 will provide an incentive for VCEDA to do some things, and if we did 250,
2 that would be contingent upon VCEDA providing their \$5.7 million, say
3 within three months.

4 MR. HORN: I don't want you to think that
5 Buchanan County, we have invested money into the tobacco counties, and
6 large amounts of money. I don't want you to think we're coming here
7 without doing our part.

8 SENATOR PUCKETT: Mr. Chairman, I
9 appreciate Craig saying that. As long as I've been on this Commission, we
10 have never, and in all due respect to Mr. Montgomery, I've never looked at
11 this as a tobacco county. That's one of the things I've been a little bit proud
12 of, is that we've tried to look across this entire region to fund things that we
13 thought would do the right thing and bring jobs and revitalize across the
14 region, and I think we've done a pretty good job. We've made mistakes, and
15 we've gotten a return on some things. We had a situation like this before,
16 and rather than picking one or two out, I'll say up front I represent both those
17 counties, and I am prejudiced toward that, but when we had this issue before,
18 we cut it across the board.

19 I'd make a proposal, Mr. Chairman, that we cut the awarding
20 grants five percent to meet what we've changed, and I'll leave it with that.
21 I'll make that motion to do that.

22 DELEGATE KILGORE: We're still
23 overspending, we haven't adopted the cuts in Buchanan. I'm still 98,000 in
24 the hole. We have a motion and a second not voted on.

25 MR. FIELDS: In defense of it all, and I seconded

1 the first motion, but I don't think we've tried to cut Buchanan or Bland
2 Counties. I honestly think it might be a little bit too big to cut.

3 DELEGATE KILGORE: Are you making an
4 amendment?

5 MR. FIELDS: I hope somebody else will. I hope
6 Steve will make an amendment to his. I still think it's the right direction.

7 MR. BANNER: I hope Medford got that. I'm
8 offering a suggestion on those two. This is what I was doing. I don't know
9 that I made a formal motion.

10 MR. PFOHL: We can change the numbers on the
11 spreadsheet.

12 MR. BANNER: Medford, did you have it as a
13 motion?

14 THE COURT REPORTER: No.

15 MR. BANNER: I don't think I ever made a formal
16 motion, but I was looking for someone else to -- move that motion.

17 DELEGATE JOHNSON: Mr. Chairman, is there
18 any way we can make it possible that the next allocation award these two
19 projects, that they be given top priority?

20 SENATOR WAMPLER: I'll try to answer that.
21 We'll have new Commission members at our next meeting. I don't know that
22 this one can bind future meetings.

23 DELEGATE KILGORE: Those that are here will
24 remember it, I'm sure.

25 SENATOR WAMPLER: A cut is only a cut if you

1 have it. The staff recommended an amount, and for people to say you didn't
2 cut when you didn't have possession of it in the first place, maybe I've been
3 in Richmond too long, I don't think that's the case. These are
4 recommendations; these are numbers on an Excel spreadsheet. Just because
5 it's in a graphic form doesn't mean you have constructive possession, you
6 don't have those dollars. It's not a cut; I just had to say that.

7 MR. MONTGOMERY: The thing about
8 Buchanan County, they have the VCEDA money. Lee County has a little bit
9 of it, but it's five percent or so. Most of the tobacco counties don't get
10 VCEDA money. Scott County may get three percent or something. I think
11 VCEDA gets a bigger part, or has a bigger part.

12 SENATOR PUCKETT: Mr. Chairman, I don't
13 want to get into the semantics of the number or what VCEDA gives. I'll say
14 VCEDA has done their part. If you go back and tally up the figures you'll
15 find out again, Russell is one of those co-counties that does put a lot of
16 money into it. VCEDA has stuck a lot of money in Russell County. They
17 have done it in part of Scott County and some in Lee County, too. What I
18 said earlier, I think, is the most important thing. We're trying to do the right
19 thing across the region here. Until about four or five years ago, or maybe a
20 little longer than that, VCEDA did not hardly do anything. Nobody could
21 get any money. That's changed, for whatever reason. They're trying to do a
22 regional approach, I think, particularly in the seven coal counties, and I think
23 they've carried their load. I don't want this Commission to start looking at
24 four tobacco counties and say they're going to get all the money. We've
25 watched what has happened on Southside, and they've done that, and we're

1 trying to stay away from that piece, and I don't support that and will not.

2 MR. MONTGOMERY: I think the Senator, I don't
3 mean to say that four tobacco counties will get 90 percent of the money,
4 because if you go back and look at what I said, and that was that 10 percent
5 of the other tobacco counties are getting a disproportional part in the name
6 of regionalism, and I'm not against regionalism, and I'm all for it. If you go
7 down in District 1, Lenowisco has done a fine job with it. I think sometimes
8 we lean over backwards to be fair to the counties that have very little
9 tobacco, then unfair to the ones that have the most.

10 DELEGATE KILGORE: Well, we've got to move
11 along, because we have another meeting.

12 MR. THOMPSON: I'd like to move that we
13 consider awarding 50,000, which would make available \$163,994. We fund
14 the shortfall unrestricted, and take the balance of those dollars and allocate
15 them to Bland and Buchanan Counties.

16 MR. BANNER: Mr. Chairman, the proposal is to
17 fund Dream It Do It.

18 DELEGATE KILGORE: Comment?

19 MR. PFOLH: Right now there is 275,000
20 unrestricted for Washington County.

21 DELEGATE KILGORE: Project Duty.

22 MR. DAWSON: That's for a company whose only
23 commitment is for five years. The Dream It Do It Program is supposed to
24 provide training for more than 20 companies. We plan to be there for the
25 long duration. You're cutting all the funds out of something that's promoting

1 many manufacturers and 400 jobs to get money to a program whose only
2 guarantee is an investment company that bought them for five years.

3 SENATOR WAMPLER: Mr. Chairman, 50,000 is
4 a little too much, and I appreciate the offer. Maybe Mr. Thompson would
5 consider 100,000 of a grant.

6 MR. PFOHL: Mr. Chairman, the staff has advised
7 the Dream It Do It representatives that they would be eligible for potentially
8 Special Projects as a multi-jurisdictional and/or for Educational funds, both
9 of which we're scheduling for the fall cycle, especially the educational
10 aspects of what they're doing on a regional basis might be a strong candidate
11 for those funds.

12 DELEGATE KILGORE: One hundred thousand.
13 I have a motion and a second. Any more discussion on that?

14 MR. MONTGOMERY: What does that do to the
15 restricted funds now?

16 MR. NOYES: All unrestricted funds.

17 MR. MONTGOMERY: Mr. Thompson wanted to
18 move the balance over to restricted.

19 DELEGATE KILGORE: He can do that.

20 MR. PFOHL: You can spend unrestricted dollars
21 on capital projects.

22 DELEGATE KILGORE: I have a motion and a
23 second, any more discussion? All those in favor say aye? (Ayes.)
24 Opposed?

25 SENATOR PUCKETT: No.

1 DELEGATE KILGORE: What's your total now?

2 MR. PFOHL: Reflecting to restore the original
3 amount for Bland and --

4 DELEGATE KILGORE: -- Yes.

5 MR. PFOHL: We're only \$10,000 off, and we're
6 still 98 short on restricted, 889 over unrestricted. So that puts unrestricted in
7 the black.

8 MR. NOYES: We're now looking for \$100,000
9 unrestricted.

10 MR. PFOHL: Restricted, yes. That's a negative
11 figure there.

12 MR. BANNER: If we reduced by percentage,
13 what percentage would that be of all projects, to balance the \$100,000?

14 MR. PFOHL: You've got three million dollars
15 roughly of total requests; five percent reduction would gain you \$150,000.

16 DELEGATE KILGORE: Would that be the
17 approved projects, or would that include Jonesville and Abingdon and
18 Fairview?

19 MR. PFOHL: Abingdon Farmer's Market, 80,000;
20 Bland, 250; Buchanan, 500,000; Progress Park, 150; 25,000 for Fairview;
21 20,000 for Fries; 50,000 for Jonesville Cumberland Bowl; 425 for Lee
22 County, Constitutional Oaks; 25,000 for the Marion Museum; 25,000 for
23 Big Stone Gap; 50,000 for Pro Art; 500,000 for Russell County Technology
24 Development Center; 200 for the Duffield Technology Center; TEDS,
25 229,430; Dream It Do It, 100,000; Gate City Performing Arts, 150; 275 for

1 Project Duty in Washington County.

2 SENATOR WAMPLER: Mr. Chairman, let me
3 try something. If we recommended Buchanan County receive a 400,000
4 award, not cut, if they received 400,000 and Bland County would receive
5 200,000, tell me what that does?

6 DELEGATE KILGORE: That would give you,
7 82,000 to the good.

8 MR. SWEET: The County of Bland appreciates
9 your consideration.

10 DELEGATE KILGORE: Do I have a motion in a
11 block? Jonesville and Fries are out of the block, everything else in the
12 block. Do I have a motion for everything else in the block? Do I have a
13 motion to approve everything in the block? I have a motion and a second.
14 All those in favor of everything other than Jonesville and Fries say aye?
15 (Ayes.) Opposed?

16 SENATOR PUCKETT: No.

17 SENATOR WAMPLER: Mr. Chairman, I'd make
18 a motion that the projects of Jonesville and the Town of Fries be adopted as
19 represented by staff.

20 MR. FIELDS: Second.

21 DELEGATE KILGORE: All those in favor of
22 Jonesville and Fries say aye? (Ayes.) Opposed?

23 SENATOR PUCKETT: No.

24 DELEGATE KILGORE: Anything else to come
25 before this Committee at this time?

1 All right. We're adjourned.

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3 PROCEEDINGS CONCLUDED.
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18 CERTIFICATE OF THE COURT REPORTER
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20

21 I, Medford W. Howard, Registered Professional
22 Reporter and Notary Public for the State of Virginia at large, do hereby
23 certify that I was the court reporter who took down and transcribed the
24 proceedings of the **Virginia Tobacco Indemnification and Community**
25 **Revitalization Commission Southwest Economic Development**

CRANE-SNEAD & ASSOCIATES, INC.

1 **Committee Meeting when held on Wednesday, April 25, 2007 at**
2 **1:00 p.m. at the Wytheville Meeting Center, Meeting Room**
3 **Commission,**
4 **Wytheville, Virginia.**

5 I further certify this is a true and accurate transcript
6 to the best of my ability to hear and understand the proceedings.

7 Given under my hand this ____ day of May, 2007.

8

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11

12

Medford W. Howard

13

Registered Professional Reporter

14

Notary Public for the State of Virginia at Large

15

16

17 My Commission Expires: October 31, 2010.